

Three county businesses have hired more than 150 unemployed people through a state tax credit program.

Beltsville's J.E. Richards Inc. and Capitol Heights' NATELCO Corp., both electrical contract work companies, hired 118 employees and 24 employees respectively from the state's unemployment rolls through the Maryland Job Creation and Recovery Tax program. The Wegmans in the Woodmore Towne Centre at Glenarden hired 15 people, according to the state's Department of Labor, Licensing and Regulation.

The program began in March under Gov. Martin O'Malley's (D) administration and gives state businesses a \$5,000 tax credit for each new employee hired. The tax credit cap is \$250,000 or 50 new employees. There is an average of 1.87 employees hired to work in state businesses through the program, according to data from the state's Department of Labor, Licensing and Regulation.

The Capitol Heights business was one of 47 Prince George's County businesses from 600 state businesses, or 7.8 percent, that participated in the program, according to information provided by the state's Department of Labor, Licensing and Regulation.

"It saves the company money and it puts people back to work," said Trina Sarrugia, payroll supervisor at Natelco Corp.

State employers must provide an employee work for at least 12 consecutive months, but partial tax credit can be issued to companies where employees work less than 12 months; these are judged on a case-by-case basis, according to an e-mail from Shannon Davis, a spokeswoman for the state's Department of Labor, Licensing and Regulation.

Joseph Richards, president of J.E. Richards Inc., said his company hires its workers through the International Brotherhood of Electrical Workers Local 26 Union in Lanham and typically hires the people who have been unemployed the longest. The length of service depends on the job and could range from a few months to two years. He said that the tax credit was a bonus to them.

"We didn't decide to hire anybody because of that program," Richards said. "Now maybe there are people who do decide to hire people because of that program, but we weren't one of those."

The unemployment rate in Prince George's County was at 7.4 percent as of September, according to the latest statistics from the state's Department of Labor, Licensing and Regulation website, compared to 7.2 percent in September 2009 and a 2009 annual average of 6.9 percent.

Sarrugia said there are about 235 employees at Natelco Corp., 464 people employed with J. E. Richards Inc. and 650 people employed at the Wegmans.

The state's program came on the heels of President Barack Obama's \$33 billion Small Business Jobs and Wages Tax Cut, which also gives a \$5,000 tax credit for each new employee a business hires, according to the Office of the White House website. The federal cap is \$500,000.

The credit would reimburse what the business pays in Social Security payroll taxes and would go toward any payroll taxes that result from increasing hours, wages and the number of employees, the website states.

For Maryland's program, the tax credit can go toward corporate and personal income tax for businesses. Employees must be state residents hired between March 25 and Dec. 31 for new full-time positions or a full-time position that was vacant for at least six months, according to the state's Department of Labor, Licensing and Regulation website.

New employees cannot have been working full time before being hired and should have been receiving unemployment insurance benefits or have used up their benefits in the last year, the website states.

Pat Thornton, marketing and public relations director for the Prince George's County Economic

Development Corp., said her organization could not really make a statement on how the Job Creation and Recovery Tax program will impact Prince George's County businesses.

Thornton said that the PGCEDC offers an Enterprise Zone Program that offers a series of tax credits for developing in areas such as Port Towns, the Annapolis Road corridor and Capitol Heights and Seat Pleasant, but added there's no real gauge on its impact unless businesses recertify for the program. While she applauded O'Malley for enacting a program similar to Obama's, Thornton said businesses do not always take advantage of programs such as the Job Creation and Recovery Tax program or any through the PGCEDC.

"Unfortunately, given the fact that many people don't take action on what you tell them, there's really no way of understanding or having any kind of handle on what the impact might be," Thornton said.

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